

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2011-24-S**

IN RE: )  
 )  
Application of Palmetto Utilities, Inc. )  
for adjustment of rates and charges )  
for, and modification to certain terms )  
and conditions related to, )  
the provision of sewer service. )

DIRECT TESTIMONY OF  
DONALD J. CLAYTON

1   **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.     My name is Donald J. Clayton. My business address is 301 Oxford Valley Road,  
3         Suite 1604, Yardley, Pennsylvania, 19067.

5   **Q.     WHERE ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6   A.     I am Vice President of Management Consulting at Tangibl, LLC.

8   **Q.     HOW LONG HAVE YOU BEEN EMPLOYED AT TANGIBL, LLC?**

9   A.     I have been employed at Tangible, LLC since April of 2007.

11  **Q.     PLEASE DESCRIBE TANGIBL, LLC.**

12  A.     Tangible, LLC is a professional services firm serving water, wastewater, waste  
13         services and energy utilities.

1   **Q.    WHAT IS YOUR EDUCATIONAL BACKGROUND?**

2   A.    I have Bachelor of Science in Civil Engineering and Masters of Business  
3       Administration degrees from Rensselaer Polytechnic Institute.

4  
5   **Q.    PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

6   A.    Throughout my career I have served public utilities in consulting and executive  
7       capacities. Recent assignments include preparation of rate cases, cost of service  
8       and rate design studies for gas and water utilities and depreciation studies for  
9       electric, gas, water, wastewater, thermal and railroad companies. My work  
10      experience is further detailed in my resume which is attached hereto as DJC  
11      Exhibit 1.

12  
13   **Q.    DO YOU HOLD ANY PROFESSIONAL CERTIFICATIONS?**

14   A.    Yes. I am a Registered Professional Engineer in Pennsylvania. I am also, a  
15      Chartered Financial Analyst and a Certified Depreciation Professional.

16  
17   **Q.    HAVE YOU HAD FORMAL TRAINING RELATING TO UTILITY  
18      ACCOUNTING AND RATEMAKING?**

19   A.    Yes. I have completed utility accounting and ratemaking seminars offered by  
20      Price Waterhouse and Salomon Brothers. I have also completed 5 one-week  
21      programs offered by Depreciation Programs, Inc. in the areas of actuarial and  
22      simulated life analysis, forecasting of life and net salvage, and preparing and  
23      managing depreciation studies.

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC  
2 SERVICE COMMISSION OF SOUTH CAROLINA?

3 A. No.  
4

5 Q. HAVE YOU PRESENTED EXPERT TESTIMONY IN RATE RELATED  
6 PROCEEDINGS BEFORE OTHER REGULATORY AGENCIES?

7 A. Yes. My recent testimonial history is attached hereto as DJC Exhibit 2.  
8

9 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
10 PROCEEDING?

11 A. The purpose of my testimony is to support the application for rate relief of  
12 Palmetto Utilities, Inc., which I will refer to from time to time in my testimony as  
13 "Palmetto" or the "Company", and sponsoring Exhibit B to the application as  
14 filed with the Commission in this proceeding.  
15

16 Q. WAS EXHIBIT B TO THE APPLICATION PREPARED BY YOU OR  
17 UNDER YOUR SUPERVISION?

18 A. Yes.  
19

20 Q. WOULD YOU PLEASE DESCRIBE WHAT EXHIBIT B TO THE  
21 APPLICATION SHOWS?

22 A. Yes. Exhibit B consists of 5 schedules, A through E. Schedule A is the  
23 Company's balance sheet as of April 30, 2010, set out by National Association of

1 Regulatory and Utility Commissioners, or "NARUC", Uniform System of  
2 Accounts, or "USOA", for Class A Wastewater Utilities accounts. Schedule B is  
3 the Company's income statement for the year ended April 30, 2010 including per  
4 books amounts, pro-forma adjustments, pro-forma amounts at present rates,  
5 proposed increase and pro-forma proposed amounts, again by USOA account.  
6 Schedule C shows the Company's billed revenue at present and proposed rates by  
7 customer classification for the test year ended April 30, 2010. Schedule D shows  
8 the company's original cost, pro-forma additions and retirements, pro-forma  
9 original cost, service life, annual depreciation rate and pro-forma depreciation  
10 expense by USOA account for Plant in Service and Contributions in Aid of  
11 Construction, or "CIAC", as of April 30, 2010. Schedule E shows the actual  
12 number of customers and Equivalent Residential Customers, or "ERCs" for  
13 Commercial and Industrial and Residential (including multi-family) customer  
14 classes as of May 1, 2009, April 30, 2010 and projected through April 30, 2011.

15  
16 **Q. WHAT IS THE OVERALL RATE INCREASE THAT PALMETTO IS**  
17 **SEEKING AT THIS TIME?**

18 A. Palmetto is seeking additional service revenue of \$1,644,074, which is a 30.4%  
19 overall increase in revenue. To achieve this level of additional revenue, the  
20 Company is requesting that the monthly charge per single family equivalent be  
21 raised by \$9.00 from \$29.50 to \$38.50.

1   **Q.    WHEN WAS A GENERAL RATE INCREASE LAST REQUESTED BY**  
2   **THE COMPANY?**

3   A.    The Company last filed for a general rate increase in 2000.  Company witness  
4       Stan Jones discusses Palmetto's last rate relief filing in detail in his testimony.

5  
6   **Q.    WHY IS PALMETTO REQUESTING RATE RELIEF AT THIS TIME?**

7   A.    For the test year ended April 30, 2010, Palmetto earned a 2.24% operating margin  
8       on a per books basis and a (2.24%) operating margin (loss) on a pro-forma basis  
9       at present rates.  Both the per books and the pro-forma operating margins are well  
10       below the 10.88% operating margin authorized by the PSC in Palmetto's last case.  
11       Without rate relief Palmetto will be unable to continue to meet its financial  
12       obligations and to attract investment capital for plant expansions and  
13       replacements.  Such a scenario places in jeopardy the Company's ability to  
14       continue to provide safe, reliable and efficient sewer utility services to its  
15       customers.

16  
17   **Q.    WHAT HAS BEEN THE COMPANY'S EXPERIENCE WITH THE COSTS**  
18   **OF OPERATION SINCE ITS LAST RATE INCREASE?**

19   A.    It has been more than ten (10) years since the Company's current rates were  
20       placed into effect and in that time the Company's expenses have increased.  As  
21       noted in the testimony of Mr. Jones, the Company has incurred increased  
22       operational expenses for things such as purchased power, employee salaries,  
23       contract services, insurance, etc.  In addition, taxes and depreciation expense have

1       also increased. As Mr. Jones also explains, for a number of years since the  
2       Company's last rate increase, the growth in customer revenue offset the increases  
3       in expenses. However, customer growth has now slowed to the point where it  
4       cannot keep up with the increases in expenses. Also, the Company's  
5       infrastructure is aging which has resulted in increased replacements at pumping  
6       stations and at the treatment plant. And, the Company has implemented new, on-  
7       going operational programs such as right of way clearing and grease trap  
8       inspections which have also increased the costs of operation.

9  
10   **Q.   BASED ON THE TEST YEAR DATA AS ADJUSTED, WHAT**  
11   **OPERATING MARGIN RESULTS AFTER THE REQUESTED RATE**  
12   **INCREASE IS CONSIDERED?**

13   A.   Based on the adjusted test year data and the requested rate of \$38.50 per ERC per  
14       month, the resulting operating margin is 12.32%. The 12.32% operating margin  
15       is well within the range of operating margins the Commission has recently  
16       approved for other sewer utilities.

17  
18   **Q.   PLEASE EXPLAIN HOW TEST YEAR REVENUES AND EXPENSES**  
19   **WERE ADJUSTED.**

20   A.   Pro forma adjustments were made to test year revenues and expenses based on  
21       known and measurable changes.

1   **Q.    WHAT ADJUSTMENTS WERE MADE TO THE PER BOOKS**  
2       **INCOME STATEMENT ON SCHEDULE B?**

3    A.    The adjustments to the per books income statement on Schedule B include  
4           corrections and reclassifications; removal of non-recurring items and items  
5           which should have been capitalized from the test year expenses; addition of the  
6           cost of new maintenance programs and depreciation expense related to plant  
7           added after the test year; annualization of current contract operations and utilities  
8           costs; amortization of rate case expense over three years; and the income tax  
9           effects of all of the other adjustments.   The specific adjustments are  
10          detailed at the bottom of Schedule B.

11  
12   **Q.    HOW HAVE THE COMPANY'S EXPENSES INCREASED SINCE THE**  
13       **LAST RATE CASE?**

14   A.    For the year ended April 30, 1999 which was the test year in the last case the  
15          company had approved expenses of \$1,625,790. For the year ended April 30,  
16          2010, or the current test year, the Company's total pro-forma expenses are  
17          \$5,815,511.

18  
19   **Q.    HAS THE COMPANY DEVELOPED CONTINUING PROPERTY**  
20       **RECORDS FOR THIS RATE CASE?**

21   A.    Yes. The Company developed continuing property records for plant and also  
22          established the accumulated provision for depreciation based on straight line  
23          depreciation using guideline service lives used by the Public Service Commission

1 of South Carolina and established CIAC balances and related accumulated  
2 amortization. The beginning balances for plant, CIAC and accumulated  
3 depreciation and amortization were established as of April 30, 2009.  
4

5 **Q. HOW DID THE AMOUNTS BOOKED FOR PLANT IN SERVICE, CIAC**  
6 **AND ACCUMULATED DEPRECIATION AND AMORTIATION**  
7 **COMPARE TO THE AMOUNTS PREVIOUSLY RECORDED BY THE**  
8 **COMPANY?**

9 A. Plant in service increased by approximately \$4.3 million due to capitalization of  
10 amounts which had been previously expensed and addition of Allowance for  
11 Funds Used During Construction (AFUDC) to longer term projects. CIAC was  
12 reduced by approximately \$2.1 million to reflect income taxes payable on  
13 amounts received between 1988 and June of 1997. Accumulated depreciation  
14 was restated to reflect Commission guideline service lives and straight line  
15 depreciation as opposed to accelerated tax depreciation which is not permitted  
16 under the USOA. Accumulated depreciation was increased by approximately  
17 \$280,000. CIAC amortization was similarly adjusted to reflect straight line  
18 depreciation base on guideline lives as opposed to accelerated tax depreciation.  
19 Accumulated CIAC amortization was increased by approximately \$560,000.  
20

21 **Q. WOULD YOU BRIEFLY EXPLAIN THE METHODOLOGY THE**  
22 **COMPANY USED TO ESTABLISH THE BEGINNING BALANCES FOR**  
23 **PLANT AND CIAC AS OF APRIL 30, 2009?**



1 A. Yes. In 2008 the Company had a detailed inventory and reproduction cost study  
2 prepared by Joel E. Wood and Associates, which I will refer to as the "Wood  
3 Report." The inventory included the property by subdivision including the size  
4 and type of pipe, manholes, services, etc.; a list of the Company's lift stations by  
5 location and size; and an inventory of the Spears Creek plant. The Wood Report  
6 inventory also allowed the various items of plant to be placed in the proper USOA  
7 plant account. Since the Wood Report did not cover general plant, the  
8 Company's tax depreciation schedule was used to establish the beginning  
9 balances for the general plant accounts. The book cost by vintage year (or year  
10 installed) was then reviewed and matched to the Wood Report. When sufficient  
11 detail was not available, allocation of the book cost over the Wood Report  
12 inventory were made. Plant items with related non-cash CIACs were identified  
13 based on the CIAC inventory reports form given to the Company by the  
14 developers who were contributing the plant. Cash CIACs were allocated to  
15 projects based on the remaining plant in service amounts which did not already  
16 have associated non-cash CIAC.

17 Next, the Company's general ledgers were reviewed to identify items  
18 which were charged to maintenance or engineering expense but should have been  
19 capitalized. Also, a portion of Mr. Jones' salary and his deferred compensation  
20 was capitalized based on an estimate of his time spent working on engineering  
21 and other aspects of capital projects. These items were allocated to the Wood  
22 Report inventory. AFUDC was calculated for longer term projects. Income taxes  
23 payable on CIACs between 1988 and June of 1997 were removed from the CIAC

1 amounts as these amounts were included in the Company's income tax expense  
2 and were not available to offset the Company's plant costs.

3  
4 **Q. HOW WAS ACCUMULATED DEPRECIATION RELATED TO PLANT**  
5 **AND ACCUMUALTED AMORTIZATION RELATED TO CIAC**  
6 **ESTABLISHED?**

7 A. Based on the plant and CIAC costs established by account and vintage, guideline  
8 lives were used to establish what the accumulated depreciation and accumulated  
9 amortization amounts should have been as of April 30, 2009.

10  
11 **Q. WAS THE COMPANY'S CONTINUING PROPERTY RECORDS STUDY**  
12 **REVIEWED BY THE OFFICE OF REGULATORY STAFF?**

13 A. Yes. Once the study was prepared, the Company reviewed it with the Office of  
14 Regulatory Staff, or "ORS." The ORS also conducted an examination of the  
15 study findings and provided valuable feed back to the Company.

16  
17 **Q. HOW DID ORS RECEIVE THE STUDY AND DID IT AGREE WITH THE**  
18 **COMPANY'S FINDINGS?**

19 A. My sense is that ORS was pleased that the Company undertook this effort in  
20 advance of the actual filing of the application in this docket in view of the  
21 compressed time period within which I understand rate relief proceedings must be  
22 completed. Generally the ORS agreed with the findings of the study but did make  
23 adjustments in some areas.

1   **Q.   HOW DO THE PLANT IN SERVICE, CIAC AND RELATED**  
2       **DEPRECIATION AND AMORTIZATION AMOUNTS AFFECT THE**  
3       **COMPANY'S REVENUE REQUIREMENT?**

4   A.   If the Company's plant and CIAC balances are changed, depreciation expense  
5       will have to be adjusted accordingly.  
6

7   **Q.   HOW WERE THE PLANT, CIAC, ACCUMULATED DEPRECIATION**  
8       **AND ACCUMULATED AMORTIZATION BALANCES AS OF APRIL 30,**  
9       **2010 DETERMINED?**

10  A.   The April 30, 2009 balances were brought forward based on the additions and  
11       retirements from May 1 2009 to April 30, 2010.  
12

13  **Q.   WERE THERE ANY PRO FORMA ADDITIONS OR RETIREMENTS TO**  
14       **PLANT INCLUDED IN THE BASIS FOR DEPRECIATION IN THIS**  
15       **CASE?**

16  A.   Yes, the additions and retirements from May 1, 2010 to December 31, 2010 which  
17       were made outside of the test year were reflected as pro forma additions and  
18       retirements and were included in the basis for the depreciation expense in this  
19       case. The original cost and depreciation schedule on per books and pro forma  
20       bases are shown in Schedule D of Exhibit B.  
21  
22

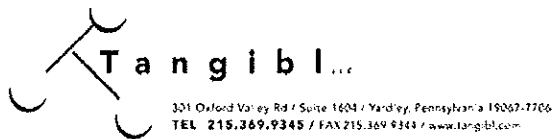
1    **Q.    WHAT IS THE PROPOSED RATE INCREASE DESIGNED TO**  
2    **ACCOMPLISH FOR THE COMPANY?**

3    A.    An increase in Palmetto's current rates is designed to generate additional revenues  
4    that will allow the Company to adequately fund its operations, attract capital,  
5    comply with regulatory requirements and continue to provide excellent sewer  
6    service to its existing and future customers.

7

8    **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

9    A.    Yes. It does.



**DONALD J. CLAYTON / Vice President**

Mr. Clayton has over 30 years' experience in the energy utility industry and management consulting profession. His experience includes financial and treasury management, including his role as Vice President and Treasurer at DQE, at that time the parent company of Duquesne Light Company. Mr. Clayton also has extensive experience in new venture creation, as President of the AquaSource venture at DQE and President and Chief Operating Officer of Conjunction LLC in New York State. In his management consulting roles, Mr. Clayton's technical specialties include public utility valuation, depreciation, plant, rate base, cost of service and rate design as well as economic analysis and financial modeling.

Mr. Clayton holds a Bachelors of Science in Civil Engineering and a Master of Business Administration from Rensselaer Polytechnic Institute. He is a registered Professional Engineer in the Commonwealth of Pennsylvania, a Chartered Financial Analyst, as well as a Certified Depreciation Professional.

**Professional Experience**

2007 – PRESENT ..... TANGIBL, LLC  
VICE PRESIDENT – MANAGEMENT CONSULTING

As Vice President of Management Consulting at Tangibl, LLC, Mr. Clayton is responsible for a wide range of assignments including depreciation studies for electric, gas, water, wastewater, thermal and railroad companies and cost of service and rate design studies for electric, gas and water utilities.

2005 – 2007 ..... GANNETT FLEMING, INC.  
DIRECTOR, REGULATORY ECONOMICS

**Representative assignments include:**

- *Allegheny Energy, Inc., Greensburg, Pennsylvania* – Depreciation Studies of Regulated Electric Companies in West Virginia and Unregulated Generation Plant. The studies included development of annual depreciation rates for regulated electric plant in service in West Virginia and the unregulated generating plant throughout the system. Elements of the study included a field inspection of power plants, major substations, operations centers and office buildings; discussions with management regarding outlook; statistical analyses of service life and net salvage, and calculation of annual and accrued depreciation using several alternative bases and procedures. The depreciation study for the regulated West Virginia Utilities was filed with the West Virginia Public Service Commission in September 2006.
- *Citizens Gas and Coke Utility, Indianapolis, Indiana* – Depreciation Studies of Gas and Thermal Plant. The studies involved development of annual depreciation rates for gas and thermal plant. Field inspections of the facilities were performed, discussions with management regarding outlook were held, statistical analyses of service life and salvage data were conducted and annual and accrued depreciation were calculated.
- *East Kentucky Power Cooperative, Winchester, Kentucky* – Depreciation Studies of Electric Plant. The study involved development of annual depreciation rates for the company's electric plant including generation, transmission and general plant. The study included a field inspection of power plants, major substations, operations centers and office buildings; discussions with management regarding outlook; statistical analyses of service life and net salvage, and calculation of annual and accrued depreciation. The depreciation study filed with the Kentucky Public Service Commission in May of 2006 and the Rural Utilities Service in June of 2006.
- *Anchorage Water and Wastewater Utility (AWWU), Anchorage, Alaska* – Testimony on Contributed Plant and Depreciation Studies for Water and Wastewater Plant. The first assignment included rebuttal testimony on behalf of the company related to its accounting treatment of contributed plant. The depreciation studies included field inspections of the treatment plants, major pumping stations, and offices; discussions with management regarding outlook; data assembly; statistical analysis of service life and net salvage; and calculation of annual and accrued depreciation related to plant in service as of December 31, 2005.

- *Kansas City Southern Railroad (KCS), Kansas City, Missouri* – Capitalization Policy and Depreciation Studies for Kansas City Southern, Kansas City Southern de Mexico, and Texas Mexican Railway. The first assignment involved development of a revised capitalization policy. The Company's existing capitalization policy and retirement units catalogue were compared with those of other class I and passenger railroad companies and revisions were suggested and subsequently adopted by the company. The depreciation studies involved discussions with management regarding outlook, statistical aging of the subsidiary company property, service life and net salvage analysis and calculating of annual and accrued depreciation.
- *East Resources, Inc., Pittsburgh, Pennsylvania* – Base Rate Case Filing. The assignment involved preparation of a complete base rate case filing for the Company's West Virginia gas utility division. Exhibits were prepared in conformance with the West Virginia Commission's filing requirements under Rule 42. Direct testimony was prepared and responses to numerous data requests were completed. The case was filed in April 2006 and was settled in September 2006.

2002 – 2005 .....CONJUNCTION, LLC  
PRESIDENT AND CHIEF OPERATING OFFICER

Conjunction LLC was formed to develop a high voltage direct current transmission line from upstate New York to New York City.

- Responsible for day-to-day activities of the firm, raising equity capital to fund the project and negotiation of numerous contracts and agreements between the Company and its consultants, lawyers, land owners and investors.
- Responsible for preparation of the Company's transmission siting filing under Article VII before the New York Public Service Commission and the FERC filing for merchant transmission line status.

2000 – 2002 ..... ENERGY LEADER CONSULTING, LLC  
PARTNER

Energy Leader Consulting provided strategic consulting to energy companies concerning opportunities related to electric generating stations.

- Performed acquisition analysis for generating stations, identification of power plant development opportunities throughout the U.S. market and diagnostic studies for electric generators.
- Led multi-million dollar study for Amtrak to determine the feasibility of using their railroad rights-of-way for electric transmission.

1985 – 2000 .....DQE  
VICE PRESIDENT AND TREASURER  
PRESIDENT – AQUASOURCE  
MANAGER – VALUATION AND PROPERTY RECORDS DEPARTMENT

- Mr. Clayton developed and directed the AquaSource subsidiary where he managed all aspects of a rapidly-growing business, including development of the initial business plan, integration of acquisition targets, recruitment of executive staff, and political and regulatory relations. He also headed the rate case filed in Texas for a statewide tariff related to the small water and wastewater companies acquired by AquaSource.
- As Vice President and Treasurer, Mr. Clayton was responsible for corporate finance, financial planning, corporate budgeting, cash management and investor and shareholder relations during a period of unprecedented organizational and marketplace changes. While he was Vice President and Treasurer, he was the stranded cost witness for Duquesne Light Company in their restructuring proceeding before the Pennsylvania Public Utility Commission.

- Mr. Clayton's first position with DQE was as Manager of the Valuation and Property Records (Fixed Assets) department, where he was responsible for the Company's \$5+ billion of fixed assets and the construction cost accounting system, at a time when two nuclear electrical generation plants were being built and added to rate base. While in this position, he was the company's rate base and depreciation witness in its two largest rate cases.

1980 – 1985 ..... PRICE WATERHOUSE  
MANAGER, PUBLIC UTILITY INDUSTRY SPECIALTY GROUP

- Performed numerous cost-of-service, rate design, depreciation and other valuation and rate related assignments for electric, gas, water and sewer clients in the public and private sectors.
- Developed a PC-based cost of service program and completed a program for evaluating street lighting.

1977 – 1980 ..... GANNETT FLEMING, INC.

- Performed numerous studies in the areas of depreciation and cost of service for electric, gas, telephone, water, wastewater and railroad companies.
- Presented expert testimony before the Pennsylvania Public Utility Commission, the Alaska Public Utilities Commission and Monmouth County Court in New Jersey.
- Completed assignments for more than 50 companies, including electric, gas, water, and telephone and railroad clients.
- Participated in the valuation related to the \$2.1 Billion conveyance of the former Penn Central Railroad to Conrail and provided the analytics for three successful tax cases involving more than \$300 million in tax depreciation for the Union Pacific, the Burlington Northern and the Chesapeake & Ohio Railroads.

#### **Continuing Education**

- All programs offered by Depreciation Programs, Inc.
- Management training courses offered by the Edison Electric Institute.
- Utility accounting seminars offered by Salomon Brothers.

#### **Professional Societies**

Mr. Clayton is an active member of the Society of Depreciation Professional where he is an instructor at their annual depreciation training sessions. He has taught the basic life analysis course and the advanced course on preparing and defending a depreciation study.

April 1, 2011

Donald J. Clayton  
Testimony and Regulatory Proceedings

Regulatory Cases						
State	Agency	Docket Number	Company	Utility Type	Primary Issue	
AK	RCA	U-04-22	Anchorage Water and Wastewater Utility	Water/Wastewater	Contributed water/wastewater plant and depreciation	
AK	RCA	U-04-23	Anchorage Water and Wastewater Utility	Water/Wastewater	Contributed water/wastewater plant and depreciation	
FL	FLPSC	090182	Ni Florida, LLC (Hudson)	Water	Complete rate case preparation	
FL	FLPSC	100149	Ni Florida, LLC (Tamiarni)	Water	Complete rate case preparation	
IN	IURC	Cause No. 43201	Citizens Thermal	Steam, Thermal	Depreciation	
IN	IURC	Cause No. 43463	Citizens Gas & Coke Utility	Gas	Depreciation	
IN	IURC	Cause No. 43624	Citizens Gas of Westfield	Gas	Depreciation	
KY	KYPSC	2006-00236	East Kentucky Power Cooperative	Electric	Depreciation	
N/A	FERC	ER-07-562-004	Trans-Allegheny Interstate Line Company (Allegheny)	Electric	Depreciation and Net Salvage for Static Var Compensator	
N/A	FERC	ER-08-386-000	Potomac-Appalachian Transmission Highline, LLC (AEP/Allegheny Energy)	Electric	Depreciation and Net Salvage of Transmission Plant	
N/A	FERC	ER-09-35-000	Tailgrass Transmission, LLC (AEP/MidAmerican/OGE)	Electric	Depreciation and Net Salvage of Transmission Plant	
N/A	FERC	ER-09-36-000	Prairie Wind Transmission, LLC (AEP/MidAmerican/Westar)	Electric	Depreciation and Net Salvage of Transmission Plant	
N/A	FERC	ER-09-75-000	Pioneer Transmission, LLC (AEP/Duke Energy)	Electric	Depreciation and Net Salvage of Transmission Plant	
OK	OCC	Cause Nos. PUD 200800144	Public Service Company of Oklahoma (AEP)	Electric	Net salvage	
OR	ORPUC	UG 201	Avista Corporation	Gas	Cash working capital	
PA	PAPUC	R-860378	Duquesne Light Company	Electric	Rate base and depreciation	
PA	PAPUC	R-870651	Duquesne Light Company	Electric	Rate base and depreciation	
PA	PAPUC	R-00974041	Duquesne Light Company	Electric	Revenue requirements, cost of service, cost of capital, rate design	
TX	TCEQ	(SOAH) 582-09-4290	Country Vista	Water	Revenue requirements, cost of service, cost of capital, rate design	
TX	TCEQ	(SOAH) 582-08-0702	Shaded Lane Water Company	Water	Rate base, cost of service, cost of capital, working capital and revenue requirements	
WV	WVPSC	06-0445-G-42T	East Resources	Gas	Rate base, cost of service, cost of capital, working capital and revenue requirements	
WV	WVPSC	08-0275-G-42T	East Resources	Gas	Rate base, cost of service, cost of capital, working capital and revenue requirements	
WV	WVPSC	09-2069-G-42T	Megan Oil & Gas Company	Gas	Rate base, cost of service, cost of capital, working capital and revenue requirements	
WV	WVPSC	10-0757-G-D	Megan Oil & Gas Company	Gas	Rate base and accumulated depreciation related to request for change in depreciation rates.	
WV	WVPSC	05-0420-E-CN	Morgantahela Power Company and The Potomac Edison Company (Allegheny Energy)	Gas	Rate base and accumulated depreciation related to request for change in depreciation rates.	
				Electric	Depreciation, cost of removal, net salvage	
Case Support (No testimony filed)						
State	Agency	Docket Number	Company	Utility Type	Primary Issue	
FL	FLPSC	100126	CFAT H2O, Inc.	Water/Wastewater	Complete rate case preparation, including rate base, cost of service, cost of capital, working capital, billing analysis and revenue requirements	
FL	FLPSC	100127	Tradewinds Utilities, Inc.	Water/Wastewater	Complete rate case preparation, including rate base, cost of service, cost of capital, working capital, billing analysis and revenue requirements	
ID	IPUC	AVG-10-01-E	Avista Corporation	Electric/Gas	Cash working capital study	
ID	IPUC	AVG-10-01-G	Avista Corporation	Electric/Gas	Cash working capital study	



April 1, 2011

Donald J. Clayton  
Testimony and Regulatory Proceedings

WA	WUTC	UE-100467	Avista Corporation	Electric/Gas	Cash working capital study
WA	WUTC	UG-100468	Avista Corporation	Electric/Gas	Cash working capital study
<i>Case Support (No testimony filed)</i>					
State	Agency	Docket Number	Company	Utility Type	Primary Issue
WV	WPSC	08-2030-E-PC	Black Diamond Power Company, Elk Power Company, Union Power Company, West Virginia Utility Company	Electric	Merger justification and support Complete Rule 42 Exhibit preparation, including rate base, cost of service, cost of capital, working capital and revenue requirements
WV	WPSC	09-1985-E-42T	Black Diamond Power Company	Electric	Complete Rule 42 Exhibit preparation, including rate base, cost of service, cost of capital, working capital and revenue requirements
WV	WPSC	09-1986-E-42T	Elk Power Company	Electric	Complete Rule 42 Exhibit preparation, including rate base, cost of service, cost of capital, working capital and revenue requirements
WV	WPSC	09-1987-E-42T	Union Power Company	Electric	Complete Rule 42 Exhibit preparation, including rate base, cost of service, cost of capital, working capital and revenue requirements
<i>Other Cases</i>					
State	Agency	Docket Number	Company	Utility Type	Primary Issue
NJ	N/A	N/A	International Flavors and Fragrances	Wastewater	Cost of service, rate design
N/A	RUS	N/A	East Kentucky Power Co-op	Electric	Depreciation
N/A	STB	N/A	Kansas City Southern Railroad	Railroad	Depreciation